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November 13, 2001

By E-Mail

Gloria Blue, Executive Secretary
Trade Policy Staff Committee
Office of the U.S. Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

PUBLIC DOCUMENT

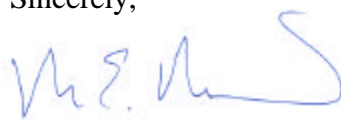
Re: Steel, Investigation No. TA-201-73; Exclusion Request

Dear Ms. Blue:

Pursuant to the notice of request for comments published at 66 Fed. Reg. 54321 (Oct. 26, 2001), we hereby submit the enclosed exclusion request for Special-Quality Oil Field Equipment Steel on behalf of the parties listed in Appendix 5.

If you have any questions, please do not hesitate to contact us by telephone or by e-mail at montalbine@dhlaw.de.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Kevin Horgan", followed by a vertical line.

J. Kevin Horgan
Donald E. deKieffer
Marc E. Montalbine

Attachment

Request To Exclude Products From Import Relief Under Section 203

Steel, Inv. No. TA-201-73

Special-Quality Oil Field Equipment Steel

(a) The designation of the product under a recognized standard or certification (e.g., ASTM, DIN), or the commercial name for the product and the HTS number under which the product enters the United States;

Special-Quality Oil Field Equipment Steel is produced under one of the following four standards: (1) AISI 410 QDT, (2) AISI 420 modified, (3) Super 13 chrome heat treated quenched and tempered, and (4) AISI 630 17/4 PH DBH 1150. This product is normally imported under HTS Nos. 7222.11.0050, 7222.20.0045 and 7222.20.0075.

(b) A description of the product based on physical characteristics (e.g., chemical composition, metallurgical properties, dimensions, surface quality) so as to distinguish the product from products for which exclusion is not sought;

See description attached as **Appendix 1**.

(c) The basis for requesting an exclusion;

Special-Quality Oil Field Equipment Steel is utilized in manufacturing oil field equipment for use under very harsh conditions. Only three companies in the world, all of which are located outside of the United States, possess the necessary know-how and production equipment to produce significant amounts of this product. Accordingly, the imposition of safeguard measures limiting the availability of these products would cause great harm to the U.S. oil and gas exploration industry. *See* letter from the American Petroleum Institute attached as **Appendix 2**.

(d) The names and locations of any producers, in the United States and foreign countries, of the product;

See attached **Appendix 3**.

(e) Total U.S. consumption of the product, if any, by quantity and value for each year from 1996 to 2000, and projected annual consumption for each year from 2001 to 2005, with an explanation of the basis for the projection;

*See attached **Appendix 4.***

(f) Total U.S. production of the product for each year from 1996 to 2000, if any; and

*See attached **Appendix 4.***

(g) The identity of any U.S.-produced substitute for the product, total U.S. production of the substitute for each year from 1996 to 2000, and the names of any U.S. producers of the substitute.

There are no substitutes for Special-Quality Oil Field Equipment Steel in the production of oil field equipment, such as down-hole drilling equipment, well head equipment and Christmas tree equipment, for use under very harsh conditions.

(h) Parties supporting request.

A list of the parties supporting this request is attached as **Appendix 5.**

(i) Contact person.

For any questions regarding this request, please contact:

J. Kevin Horgan
Frank A. Orban III
DEKIEFFER & HORGAN
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Suite 800
Washington, D.C. 20005

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Special-Quality Oil Field Equipment Steel

Special-Quality Oil Field Equipment Steel. — Stainless steel bar meeting any one of the following four definitions:

- (1) **Grade AISI 410 QDT** oil quenched and double tempered, containing by weight 12.00 percent or more of chromium, with a minimum yield strength of 75,000 PSI and a maximum hardness of 235 HB and meeting the specifications of NACE MR 01-75;
- (2) **AISI 420 modified** oil quenched and double tempered, containing by weight 13.00 percent or more of chromium, with a minimum yield strength of 80,000 PSI and a maximum hardness of 235 HB and meeting the specifications of NACE MR 01-75;
- (3) **Super 13 Chrome Heat Treated** quenched and tempered, containing by weight 12.00 percent or more of chromium, 5.00 percent or more of nickel and 2.00 percent or more of molybdenum;
- (4) **AISI 630 17/4 PH DBH 1150** solution annealed and double precipitation hardened, in condition H1150D pursuant to ASTM A 564 and meeting the specifications of NACE MR 01-75.



American
Petroleum
Institute

1220 L Street, Northwest
Washington, DC 20005-4070
202-682-8000

A-427-820, A-428-830, A-475-829,
A-580-847, A-583-836, A-412-822

Pages: 3
Investigations

PUBLIC DOCUMENT

The Honorable Donald L. Evans, Secretary
U.S. Department of Commerce
Attn: Import Administration
Central Records Unit, Room 1870
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

August 3, 2001

**Re: *Stainless Steel Bar From France, Germany, Italy, Korea,
Taiwan and the United Kingdom***

Dear Mr. Secretary,

The American Petroleum Institute ("API") submits these comments pursuant to 19 C.F.R. § 351.312 and urges the Department to exclude from the scope of these proceedings Special-Quality Oil Field Equipment Steel, as defined in the February 13, 2001 submission of BGH Edelstahl. Letter from J. Kevin Horgan, deKieffer & Horgan, to Secretary of Commerce (Feb. 13, 2001). For ease of reference, a copy of the product definition of Special-Quality Oil Field Equipment Steel is attached to this letter as Appendix 1.

The API is nonprofit trade association representing over 400 the entire petroleum industry: exploration and production, transportation, refining, and marketing. Many of our members produce drilling equipment and other tools used in oil and natural gas exploration. Because of the demanding conditions under which these products are used, oil field equipment manufacturers require very specialized steels of the highest quality. While many of these steel grades can be found in the United States, there is no significant U.S. production of the four grades described in Appendix 1.

We are aware of various instances in which U.S. producers have turned down specific orders for Special-Quality Oil Field Equipment Steel. These producers have included Atlas Specialty Steels, AvestaPolarit, Inc., Carpenter Technology Corp., Crucible Specialty Metals and

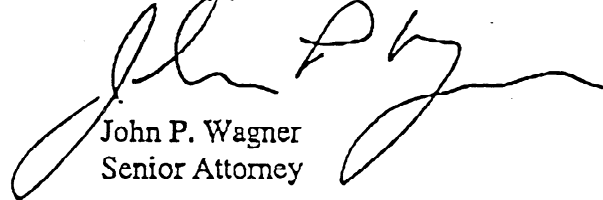
Slater Steels Corp. In each instance, the producer has stated that it was not able to manufacture the requested product.

In light of the lack of availability of these products from domestic producers, oil field equipment manufactures have no choice but to import these products from abroad. Thus, if the Department were to impose antidumping duties upon these products, it would cause significant economic hardship to the producers of oil field equipment without providing any benefit to domestic steel producers, which lack the capacity to produce Special-Quality Oil field Equipment Steel.

It cannot be disputed that continued oil and gas exploration is vitally important to the U.S. economy and that any actions that would hinder cost-efficient exploration should be avoided. It is for these reasons that the API respectfully requests the Department to exclude Special-Quality Oil Field Equipment Steel from the scope of these proceedings.

We thank you for your consideration of this matter and stand ready to provide with any additional information you might require.

Sincerely yours,



John P. Wagner
Senior Attorney

U.S. & Foreign Producers

U.S. Producers:

None

Foreign Producers:

BGH Edelstahl

Germany

Corus

United Kingdom

Foroni S.p.A.

Italy

**U.S. Consumption & Production
Special-Quality Oil Field Equipment Steel**

Item	Quantity (in short tons)									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
U.S. Consumption	5,000	5,500	6,000	7,000	8,000	8,500	9,000	9,500	9,500	9,500
U.S. Production	0	0	0	0	0					

Item	Value (U.S. dollars)									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
U.S. Consumption	11,250,000	12,375,000	13,500,000	15,750,000	18,000,000	19,125,000	20,250,000	21,375,000	21,375,000	21,375,000

U.S. consumption and production quantities are based upon market estimates. U.S. consumption values are based upon a price of \$2,250 per short ton.

Parties Supporting Exclusion Request

BGH Specialty Steel, Inc.

5430 Brystone Drive
Houston, TX 77041
USA

BGH Edelstahl

Industriestraße 9
D-57076 Siegen
Germany